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United States Attorney's Office
District of Minnesota**

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News Release

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Federal Charges Filed Against Craig Potts

Minneapolis - Craig Keith Potts of Prior Lake, Minnesota, was arraigned this morning in federal court on charges that resulted from an investigation of possible corruption of casino development and contracting practices involving the Leech Lake Band of Ojibwe in 2003 and 2004. Potts, age 35, pleaded not guilty to all charges filed against him, which included one count of conspiracy, two counts of making a false statement, and two counts of obstruction of justice. Those charges were levied against Potts in an Indictment filed last week and unsealed earlier this week.

The Indictment states that during 2003 and 2004, Potts owned a business called Cash Systems, Inc., which provided check cashing and other services to the Leech Lake tribe for its gaming operations. Moreover, the Indictment states that during that time, Potts also negotiated with the tribe to participate in the development of a new casino on lakefront property near Walker, Minnesota. Furthermore, on August 28, 2003, in the midst of those dealings, Potts allegedly caused \$35,000 to be wired to the tribe's gaming director.

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During the subsequent investigation into the matter, Potts allegedly conspired with others to make false statements and otherwise obstruct the investigative process. Specifically, the Indictment states that Potts provided investigators and another person with false statements as to the source and nature of the \$35,000 payment to the gaming director. The Indictment also states that Potts produced a document purported to be a signed promissory note that indicated the \$35,000 was a loan from Potts' father to the gaming director. According to the Indictment, however, the money was a gift, and the gaming director had not actually signed the document.

If convicted, Potts faces a maximum potential penalty on each count of conspiracy and making false statements of five years in federal prison and a \$250,000 fine. The maximum potential penalty for each count of obstruction of justice is twenty years in prison and a \$250,000 fine. Any sentence, however, will be determined by a judge.

The trial in this matter is scheduled for this summer before United States District Court Judge Paul A. Magnuson. The prosecutor in the case is Assistant United States Attorney Robert M. Lewis.

This case is the result of an investigation by the Federal Bureau of Investigation and the U.S. Department of Interior, Office of Inspector General.

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An Indictment is a determination by a grand jury that there is probable cause to believe that offenses have been committed by the defendant. The defendant, of course, is presumed innocent until he or she pleads guilty or is proven guilty at trial.